

DEPARTMENT OF TECHNOLOGY SERVICES

STATEWIDE TELECOMMUNICATIONS AND NETWORK DIVISION

**AGENCY TELECOMMUNICATIONS REPRESENTATIVE**

**BULLETIN 05-10**

DATE: November 16, 2005

**SUBJECT: CALNET CONTRACT ADMINISTRATIVE FEE REDUCTION**

**ACTION:**

The Chief Agency Telecommunication Representative (CATR) should provide this information to Accounts Payable staff who review and pay telephone invoices, to management and others in your department who may be affected by this information.

**BENEFITS:**

- Newly reduced administrative fees for specific CALNET Master Contract CNT-001 services will save State and local government agencies about \$3 Million through the end of the Contract in December 2006.
- The reductions are designed to benefit as many CALNET customers as possible.

**KEY POINTS:**

The administrative fee reductions on specific SBC/MCI services will begin to appear on **December 2005** customer bills. Reduced fees will be applied to the following services:

- **SBC:**
  - Centrex Basic - Access Facility
  - Local Usage – Local calls
  - Local Usage, Zone 3 calls
  - Dedicated Services – DS 1, Sub Access Line
- **MCI:**
  - Toll Free Service – IntraLATA
  - Long Distance VNet – Intrastate dedicated to switched
  - Long Distance VNet – Intrastate switched to switched

**BACKGROUND:**

Administrative fees were established with the award of the CALNET Master Contract on December 4, 1998, and from inception, were intended to recover costs for administering the Contract, and for providing Statewide oversight for telecommunications and network services to government agencies. The goal is to collect the right amount of fees to support the program while minimizing over collection.

This is the fourth and largest Administrative Fee decrease since the CALNET Contract was awarded in December 1998. The three previous decreases ranged from 5-15% for an estimated total savings to date for customer agencies of about \$12.3 Million. With this new reduction, total customer savings over the life of the Contract will increase to over \$15 Million. Administrative Fees represent less than 0.03% of the total Contract sales of about \$300 Million per year. The overall savings will vary for each agency based on the use of Centrex, the need for DS1 Sub Access Lines, and local and long distance calling patterns.

The revised contract rates reflect reduced administrative fees for the services listed above. Updated price listings are now accessible in the on-line CALNET Master Contract, Rider C Rate Table. See the [www.calnetinfo.com](http://www.calnetinfo.com) website, select "Products, Services and Pricing", "Rate Tables (Rider C)", and then the specific service from the list above.

To view previous ATR bulletins, refer to the DTS Statewide Telecommunications and Network Division website at <http://www.stnd.dts.ca.gov/> (scroll down the screen to "Customer Resources, Information for ATRs and DLCs" and select "ATR bulletins").

For questions regarding this bulletin or other telecommunications issues, please call the DTS Resource Communications Center at (916) 657-9974 (CALNET 8-437-9903), and ask to speak to a Customer Account Manager.



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